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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

T3, 2018/2019

BCM 7124 – CHANGE MANAGEMENT
(MBA Full Time)

29 MAY 2019
9.00 a.m. – 12.00 p.m.
(3 Hours)

INSTRUCTIONS TO STUDENTS:

1. This question paper consists of 3 pages (inclusive of the cover page).
2. **Answer ALL questions.** The distribution of the marks for each question is given.
3. Write your answers in the **Answer Booklet** provided.

Answer ALL Questions**Question 1****Case Study: LG and Samsung (50 marks)**

A joke around South Korea asks what LG Group executives would do if a snake slithered into their office. The answer? They would try to find out what Samsung did in this situation and then to do the same thing! Although LG is successful by most standards, the not-so-subtle message here is that Korea's second largest conglomerate falls short of its potential by following in the footsteps of Samsung, Korea's largest conglomerate.

"I have had a set of opportunities to work together with representatives of Samsung Electronics and LG Electronics, and learned that the organizational cultures of the two are totally different," says a South Korean government official. "Samsung members tend to have a clear vision on future prospect and are ready to make risky bets in the driver's seat. But LG employees tend to be happy to be on the passenger side."

LG Group chairman Koo Bon-moo seems to be hearing this message. In a recent speech to employees, Koo emphasized the urgency to change by leading rather than following other companies. "There must be drastic and specific changes to create customer values that are different from others," he said. "We can't make differentiated values if we just follow the footsteps of other rivals. We must set the direction earlier than others like we did last year with our 3-D television and fourth-generation network technology Long Term Evolution."

Koo and his executive team are also bringing about meaningful change through programs to nurture next-generation entrepreneurs within the organization. One such initiative gives 400 managers more autonomy to lead various projects. Another initiative is a well-crafted entrepreneurship training program with, 1500 LG employees at lower ranks going through the training program and receiving special coaching from executives. "To become a market leader, we need to see things through to the end with commitment to change us to the marrow," Koo emphasized in a two-day marathon session with LG's top executives.

(Source: Organizational Behavior, Emerging Knowledge, Global Reality, 2015, McGraw Hill)

Based on the above case study, answer the following questions:

- a) What has gone wrong in LG? (4 marks)

- b) Discuss two possible environmental pressures and two possible organisational pressures for change to LG. (12 marks)

Continued.....

c) From the perspective of innovation, culture and technology, what have been implemented by LG to correct the problems? (10 marks)

d) *"Samsung members tend to have a clear vision on future prospects..."*. Discuss how organisational contexts in terms of their abilities to produce visionary change. Discuss these abilities in relation with change susceptibility and resource availability. (12 marks)

e) Palmer and Dunford (2002) have identified two broad images of the task of managing, which can be seen as either a controlling or as a shaping activity. Explain the differences between them. What image, or images of change management does Koo Bon-moo illustrate? (12 marks)

[Total 50 marks]

Question 2

a) There are variety of strategies that managers can use to communicate change. Discuss the communication strategy continuum *"Beyond Spray and Pray"* by Phillip Clampitt and colleagues (2000). (15 marks)

b) *"Employee resistance is not necessarily damaging. It is sometimes necessary and desirable."* Discuss five ways in which resistance can be used productively. (10 marks)

[Total 25 marks]

Question 3

a) Stage models treat change as best managed by taking action in a specific sequence of stages or steps. Explain Kotter's eight-stage model. (16 marks)

b) There are no specific steps can guarantee success, but awareness of the threats to sustainability can lead to timely and effective response. Discuss three main threats to the sustainability of change. (9 marks)

[Total 25 marks]

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